

Sue Lathroum - Contracting Reform
June 16, 2004 - Disability Wing

Our next speaker is Sue Lathroum who is going to talk to us about changes with the Medicare contractors, who in the future will be called MACs, Medicare Administrative Contractors. Sue, please talk to us.

>> Thank you. I appreciate everybody allowing me to be on the agenda today. Some of you may have been in on other calls where I've talked about what we are doing. I know over the past several weeks, in April I was on an Open Door Forum call with providers, and in May I was on the Disability Advocates call. Then we sent out an e-mail to the partnership group and I was on the SHIP Steering Committee call on June 4th. So,

there have been a number of things going on in an effort to get out information to you about what is happening. So, let me tell you about it.

They're so many things included in the Medicare Modernization Act and one of them is Section 911. And under that section, the agency has been given the authority to compete the work that is currently done by Intermediaries and Carriers who are processing the fee-for-service claims that are submitted by providers.

Right now the work handled by organizations that we call Intermediaries are primarily the inpatient type of claims or claims from home health agencies, and Carriers primarily handle the claims from physicians and laboratories. We also have four durable medical equipment regional

carriers who, of course, receive the claims from suppliers of medical equipment.

So we have been contracting with these companies, since the Medicare law was implemented back in 1965, to process fee-for-service claims. The law was very specific back then that we had to contract with health insuring organizations. It said that we were to pay these contractors on the basis of their costs.

With this passage of the Medicare Modernization Act, we have now been given some new freedom, if I may, to compete this work among any kind of organization that is able to come in and fulfill the requirements that we put out when we request proposals.

So, the section of the law tells us to compete this work. We can compete it as early as 2005 and we

must have all of the intermediaries, carriers and durable medical equipment regional carrier contracts competed in this new process by the end of 2011.

The new contractors will be known as Medicare Administrative Contractors (MACs). They will have the responsibility for processing the claims; handling the first level appeals that come in; handling customer service with respect to phone calls that come in from beneficiaries and from providers; also handling written correspondence; doing the outreach and education to the beneficiaries and you, their advocates, and certainly to the providers; doing provider enrollment; administering the Medicare benefits, et cetera. So, all of these functions will go to these contractors (MACS).

At this point, we are doing a lot

of work to determine: how many of these contracts we're going to award; what jurisdictions will be included in a contract; and how they're going to be organized. This hasn't been decided and once it is decided, it will be made known.

But one of the main and different things contained in section 911 is, as we do get prepared to compete this work, that the law requires us to consult with providers and with representatives of beneficiaries (you, the organizations that are representative of them). The third group that we are to consult with is contractors that handle similar kinds of work, or the kinds of companies that would be interested in doing it. We are to consult with all of you to determine what kind of requirements you think should be included in the contracts

and how we could evaluate these new Medicare Administrative Contractors to see if they meet those requirements.

This consultation ideally should go on as we are preparing all of the information that's needed to conduct a formal competition. This is going to be a full and open competitive process. And one of the big things we must develop or prepare as we get ready for the competition is called a Statement Of Work.

Right now, staff in CMS headquarters is developing that Statement Of Work. The Statement of Work will lay out and describe exactly what these new Medicare Administrative Contractors are to do, how they are to do it, and the kinds of expectations that we have of them. So, as you can understand, if we're looking to you

for recommendations of what kind of requirements to place on them and how to evaluate those requirements, now is the time to try and get that information.

You can call these performance standards, performance requirements or whatever you want to call them, but I'm here today to ask you all if you have suggestions for us as to what these requirements should be. We have an e-mail address where you can submit your ideas, and I've given it out before, but I have to admit that we haven't gotten too many responses from the beneficiary representatives. We did get a number of comments from the provider Open Door Forum. A summary of what was provided to us is contained on the website that we have on CMS.hhs.gov web page.

As Tom was saying before, on the CMS.hhs.gov web page, there is a

topic on the MMA wherein there is a section on Contracting Reform. So, that page contains the summary of comments we got from the providers.

The way that comments can come into us is through this email address: section911@CMS.HHS.GOV. You can submit your ideas, comments, whatever you might have with respect to suggestions on what you would like to see as performance requirements for these contractors.

Just some things to stimulate your thinking on that: as we've said before, you and beneficiaries have had dealings with contractors in trying to get them to respond to questions you might have about eligibility and coverage, to give you copies of Medicare summary notices, to just answer general questions. There has been outreach by these contractors at various

meetings that are held locally.

What we're trying to find out is:

What in your mind do the current intermediaries and carriers do that you think is successful, that you like, that has been helpful to the beneficiaries? At the same time, we would like to know what hasn't worked and what would you suggest would be more helpful, and how could that be done? Is it the hours that the contractors are available to you by phone to respond to your questions? Is it the amount of outreach that is done? Is it some way in which you've gotten notices about decisions on appeal requests that providers may have filed with respect to claims? Anything within that vein is what we're looking for. And, if you can provide measurements or expectations for those kinds of requirements -- that

too is what we're seeking.

We really want to respond to your needs as much as possible as we go forward and get ready to compete this work.

I feel like I've been talking a lot and maybe I should just ask if anybody has any questions? And the other thing is: Is this the appropriate way for us to be doing this or do you have another suggestion about how we can go about asking you for these comments and ideas?

>> Well, operator, before we ask the listening audience, Sue, I have a couple of questions.

>> That's all right.

>> First of all, am I assuming correctly that the carriers and intermediaries aren't precluded from filing a new --

>> This is going to be a full and open competition, so the existing

companies may submit proposals, as well as others that have never been able to. And frankly, as we see very many times in the Government, some of them may join together. You know, some that are better in one area than in another may join together with a proposal. So, they may re-compete, that's for sure.

>> Okay. You mentioned that magic word outreach, which is a major role of many of the contractors, that even before we do that piece of outreach, you know, 2005 is not that far away.

>> That's right.

>> And so what kind of outreach are we doing or do we need some suggestions from the beneficiary advocates when we at CMS start reaching out to the people and saying everything has changed and here's the new stuff? Are we going to be doing it the same way or have

we not thought about that yet?

>> We have not thought about that yet. I do have to tell you that we certainly are working on a communication plan. That's a nice phrase, isn't it, communication plan? But the idea is how we will get this information out to the beneficiaries and what are the best ways to do that? Certainly, we want to not only get the information out that we are going to be competing this work and changing to different contractors to handle this, but we want to make sure everybody is confident in the fact that claims will continue to be paid, questions will continue to be answered, outreach will continue to be done and that we want this to be done as cleanly as possible without any kind of disruption of the services to the beneficiaries or the payment of the claims to the

beneficiaries and the providers.

So we are developing a communication plan to get that information out.

I know that our Office of Public Affairs notified various Congressional committees that we were starting to have these phone calls to let you know what is going on and the kinds of things that we're looking for so that the Congressional committees know we are trying to do the consultation process and that we have started on it. So, they will be looking for information, as well.

>> Great. And, Sue, one more time if you could give us the e-mail address. If people might be too shy, they can go away and think about it and then email you at great length their suggestion.

>> And I do look at the email address. I and two other people are

the ones who are looking at this to see what kind of comments are coming in. So the email address is section 911 (and that's alone word), SECTION911@CMS.HHS.GOV.

>> great. Operator, can you ask if there's any questions?

>> I will do so at this time. If you would like to ask a question press star one at this time. Star one, you may do so at this time. Your line is open. Please state your company name.

>> This is Leslie and I'm with the Alzheimer's Association. I couldn't get through, so I don't know if other people have that problem also. Hello?

>> We're here Leslie.

>> So, is he still there?

>> No, Tom left, but if you want to state the question publicly so everyone can hear it? And then I also have a question for the

speaker, but the last one, the statute does require that each competitive organization do a review and assessment of the disability of each beneficiary and that an assessment be done and any findings that is in the plan of care, but he didn't talk about that at all. So, I'm wondering is that being overlooked? I noticed that it was in the RFP, but I didn't know what kind of -- whether that was going to be given any weight in the decision making process when they're looking at the risk.

>> Well, Leslie, I don't have the answer to that question. I appreciate your stating it publicly for us and for the listening audience, and if you wanted to email that to me I would be happy to forward them to Tom or you can send it directly to him at TReilly3&cms.hhs.gov.

>> and then my question
regarding -- is it Sue?

>> Yes, it is.

>> I rely a lot on the contractor
pages, some of which are better
than others and both the provider
and the consumer side, will that be
part of -- I assume that they're
going to be required to maintain
those; is that correct?

>> Oh, I guarantee you that they
have will be required.

>> Some of them are terrible.
Since they're insurance companies,
often it is just one big website
and very hard to find the Medicare.

>> I understand what you're
saying. You're getting on the
insurance company's site and then
trying to wade your way through it
and then find the specific one you
sought is difficult.

>> And then my other question is
there's also going to have the

abilities to develop local coverage policies? And are you considering any CMS oversight over those, because now it is very little?

>> I have to admit to you that I'm not sure how local coverage policy issues are going to be handled.

There is a separate organization in CMS, and don't get me wrong when I say separate, i.e., it's in charge of how local Medicare coverage policies are handled, and how they want them done. We will be working with them as to how that's to be done by these new Medicare Administrative Contractors. I certainly can try and get an answer for that if you would like and we can get back to you. I have to say at this point it is still being developed, but I can take your issue to them.

>> It is important. The only alternative is to appeal, Sue. And

that is not really it an accessible alternative --

>> Okay.

>> That is just my two cents.

>> That's fine. My knowledge of it right now is I certainly know that our plan is still to have local Medicare -- local doctors who would be with each of these contractors to handle these kinds of issues. But I know that there currently (with the existing intermediaries and carriers) there are committees that are made up of representative physicians from the various types of specialties to talk over these kinds of things. But you're right in that each one of them currently does have one of these committees. I will take back your concern and let this be known that this is one of the concerns. My assumption is you would rather see something that is national as

opposed to local?

>> Well, I can't comment on that because the ABA doesn't have policies.

>> Okay.

>> But I just wanted to raise the issue as a process issue because there's some pretty outrageous things out there and when you bring it to CMS, they sort of say, well, we have to give the flexibility to the contractor. Does that make sense?

>> Yes, I've got you. I will take back your concerns.

>> Thank you.

>> You're quite welcome. Thank you for your comments.

>> The Center for Medicare Advocacy. I have a couple of procedural questions for the process for commenting on the contractor material. First of all, I thought I understood Sue to say

that the comments already received were on the website. I looked on the contractor page and didn't see them, but I may not know where to look. I was wondering if there was something that could tell me how to identify?

>> Sure. Let me tell you again the web page that we have. The web page is at: CMS.HHS.gov. And it is under Medicare reform. So it is going to be

www.CMS.HHS.gov/Medicarereform/contractingreform and that's all one word. That's the web page. And on that web page is a summary of the comments that -- there's a summary of the actual call that was done.

Now, with respect to the comments, I have to admit I think they're being pulled together and I'm not sure whether they're on there. Another group was pulling them together, but I know there is

a summary of how the call went and I believe some of the speakers at that time. So, I will double check and, if you want to give me your email address or if you just want to send something into the Section911@CMS.HHS.Gov, I can respond to you about whether or not the summary is on there. Or, I can send you whatever we might have when it is all pulled together.

>> I do see that there's something called the Executive Contractor Conference.

>> That was a separate thing. This should be under the Open Door Forum.

>> There's the Open Door Forum, which has the back room material and open door forum company. Okay. What's your time frame for receiving comments, like we would have various things that we'd like to send to you?

>> You know, we always like to say that sooner is better. I think if you could certainly get something to us by the middle of July, that would be wonderful, because we are working on the Statement of Work now.

>> Okay. Thank you.

>> That would be great. I thank you very much.

>> No other questions at this time.

>> Well, thank you so much operator. Sue, did you want to say something else?

>> One more thing, I would ask folks who are listening that if you do have other suggestions about ways that we might do this, rather than through these kinds of calls, please do send that in as well to Section911@CMS.HHS.gov and we'll see if we might be able to accommodate you on that.